

## MEMORANDUM



TO:

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Arizona Corporation Commission

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FROM:

Steven M. Olea

Director, Utilities Division

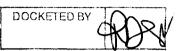
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DATE

October 6, 2011

AZ CORP COMMISSION DOCKET CONTROL



RE:

WORSHOP: GENERIC INVESTIGATION REGARDING ENERALIZED COST

OF EQUITY FOR CLASS A, B, AND C WATER AND/OR WASTEWATER

UTILTIES (DOCKET NO. WS-00000A-08-0194)

A workshop regarding a Generalized Cost of Equity ("COE") was held on June 16, 2011. The purpose of the workshop was to discuss the pros and cons of a periodic establishment of generalized COE information for potential use in Class A, B, and C water and/or wastewater utility rate cases. At the conclusion of that workshop, Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") indicated that Staff had additional questions for industry participants and so would file those questions in the docket and schedule an additional workshop day to address the questions.

The fifth in a series of workshops to comply with the investigation ordered in Decision No. 71878 was held on June 24, 2011. The purpose of the workshop was to address (1) whether Infrastructure Coordination and Financing Agreements ("ICFAs"), or other mechanisms, if properly segregated and accounted for, could be utilized to finance the actual acquisition of troubled water companies, subject to Commission approval, and (2) whether ICFAs, if properly segregated and accounted for, would be appropriate for use in covering such expenses as a portion of the carrying costs associated with unused regional water and wastewater facilities or infrastructure which meets the Commission's objectives. Due to insufficient time, the discussions were terminated and one of the participants was not able to give his presentation. Because this ICFA workshop involves substantially the same group of stakeholders as the COE workshop, Staff indicated that both workshops could be completed on the same day.

Therefore, an additional day to complete the workshops in the above-named dockets is scheduled to be held on Friday, November 4, 2011, at 10:00 a.m., in the Commission Hearing Room, 1200 West Washington Street in Phoenix.

Parties who wish to be added to the service list in this docket should send notice of their interest, including a mailing address and an e-mail address, to Docket Control. Staff welcomes and appreciates the input of all interested parties. Please address any questions you may have regarding this matter to Nancy Scott (602) 542-0743 or Elijah Abinah (602) 542-6935.

SMO:cdb

Originator: Nancy Scott

## **AGENDA**

WORKSHOP: Compliance With Decision No. 71878 (Docket No. W-00000C-06-0149) WORKSHOP: Generic Investigation Regarding Generalized Cost of Equity for Class A, B, and C Water and/or Wastewater Utilities (Docket No. WS-00000A-08-0194)

Friday, November 4, 2011 10:00 a.m. Arizona Corporation Commission Hearing Room 1200 W. Washington St. Phoenix, AZ 85007

## **Agenda**

- 1. Welcome Commission Staff
- 2. Further discussion regarding generalized cost of equity
- 3. Final presentation regarding Infrastructure Coordination and Financing Agreements ("ICFAs")
- 4. Additional comments and discussion regarding ICFAs
- 5. Wrap-up and Next Steps

Service List for:

ACC Workshop: Compliance With Decision No. 71878 (Docket No. W-00000C-06-0149) ACC Workshop: Generic Investigation Regarding Generalized Cost of Equity for Class A, B, and C Water and/or Wastewater Utilities (Docket No. WS-00000A-08-0194)

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